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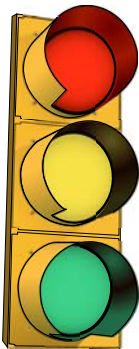
Clarification for Carriers and Durable Medical Equipment Regional Carriers (DMERCs) About Correction and Recoupment of Payments for Previously Processed Claims

Note: This article was revised to contain Web addresses that conform to the new CMS web site and to show they are now MLN Matters articles. All other information remains the same.

Provider Types Affected

Providers and suppliers who bill Medicare Carriers, including Durable Medical Equipment Regional Carriers (DMERCs)

Provider Action Needed



STOP – Impact to You

This is a one-time notice that provides clarification about correction and recoupment of payments for previously processed Medicare claims.

CAUTION – What You Need to Know

Be aware of actions that could impact your payments.

GO – What You Need to Do

When a previously processed claim needs to be adjusted, a full claim adjustment must be done. This will happen regardless of whether Medicare is primary or secondary.

Background

Previously, Medicare's CR 1523 required that carriers and DMERCs make a full claim adjustment whenever an adjustment was processed for a claim that was previously adjudicated. CR 3772 reiterates CR 1523 by requiring a full claim adjustment when money is recouped from providers whether the claim is a Medicare Secondary Payer (MSP) claim or non-MSP.

If money needs to be recouped, the previous payment is negated, and a new payment is recognized if payment is being reduced, and Medicare creates an account receivable in the amount that was overpaid. If

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there is no payment due, the previous payment is reversed, and an account receivable is created in the same amount as that previously paid.

Should you receive a demand letter from Medicare as a result of such an adjustment and overpayment, the letter will identify:

- The claim,
- The overpayment amount,
- When the overpayment must be repaid, and
- A Financial Control Number for tracking purposes.

If payment is made timely, Medicare will adjust its system to reflect the overpayment was made. However, if payment is not received timely, Medicare will adjust payments on future claims to obtain repayment.

Implementation

The implementation date for this instruction is January 3, 2006.

Related Instructions

Complete details of CR1523, the Health Insurance Portability and Accountability Act of 1996 (HIPAA) Administrative Simplification - Implementation of Version 4010 of the Accredited Standards Committee X12 835 (Payment/Remittance Advice) Transaction Standard Format, may be viewed at <http://www.cms.hhs.gov/Transmittals/Downloads/B0135.pdf> on the CMS web site.

Additional Information

The official instruction issued to your carrier/DMERC regarding this change may be found at <http://www.cms.hhs.gov/Transmittals/downloads/R618CP.pdf> on the CMS web site.

For additional information relating to this issue, please contact your carrier/DMERC via their toll free number. That number may be found at <http://www.cms.hhs.gov/MLNProducts/downloads/CallCenterTollNumDirectory.pdf> on the CMS web site.

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